



## INSPECTOR GENERAL REPORT

2006-11-0321

April 16, 2007

### DELAWARE COUNTY EBT FRAUD

*Inspector General David O. Thomas and Staff Attorney Amanda Schaeffer, after an investigation by FSSA investigative employees Barbara McNamara, Elizabeth Mainous, Dave Brown, Special Agent Alan McElroy and federal investigators, report as follows:*

This investigation involved a Family and Social Services Administration (FSSA) caseworker in Delaware County, Holly Bower, who fraudulently utilized electronic benefits transfer (EBT) cards. The EBT system issues a card similar to a credit card to qualifying public assistance recipients. The recipient then accesses public assistance at bank cash machines. The investigative benefit to the EBT system is that these transactions are captured on an FSSA computer system which helps capture fraud, such as in this case. FSSA caseworkers, such as Holly Bower, are responsible for issuing and monitoring the use of EBT cards.

This case originated when FSSA employee Barbara McNamara was routinely examining reports from the EBT card system. McNamara is responsible for “benefit recovery” at FSSA. She receives reports from EBT systems from across Indiana and examines this data for suspicious activity. In November of 2005, McNamara noticed that

there had been multiple monthly benefit payments to welfare recipient “Amanda Wright.” Usually a recipient only receives one monthly payment.

McNamara reported this suspicious activity and FSSA Public Integrity Consultant Elizabeth Mainous and Investigator David Brown commenced an investigation. Special Agent Alan McElroy of the Office of the Inspector General (OIG) was also assigned. Their research revealed that FSSA caseworker Holly Bower was creating fictitious names in the welfare system so she could gain access to the food stamp and cash benefits.

Mainous examined the social security number that was assigned to recipient “Amanda Wright” and discovered that it identified another person in Lafayette, Indiana. Amanda Wright’s electronic welfare case report also claimed that another adult, “Samuel Wright,” was living in the fictitious household. An examination of his social security number also revealed that it was fictitious and actually belonged to a person in Greentown, Indiana. Adding a person to a household entitles the welfare recipient to receive more public assistance.

The investigation revealed that FSSA caseworker Holly Bower was entering fictitious recipient names into multiple valid welfare recipient cases and that she was also adding numerous fictitious children’s names to valid welfare recipients’ households to create multiple monthly benefits to one payee.

The mailing address used for all of the fictitious recipients was Holly Bower’s current address or addresses in which Bower had previously lived.

Bower attempted to manipulate the system in other ways that were also detected by Mainous and McNamara.

On February 1, 2007, search and arrest warrants prepared by OIG Special Agent Alan McElroy were approved by the Delaware County court system. OIG Special Agents and federal investigators with the assistance of OIG Staff Attorney Amanda Schaeffer executed these search warrants and items were seized to further the investigation.

Special Agent Alan McElroy and Special Agent Bud Allcron interviewed FSSA caseworker Holly Bower as the warrants were being executed. Bower was confronted with the evidence and admitted in a recorded interview to this fraudulent activity.

Felony criminal charges of welfare fraud, theft and official misconduct were promptly filed by the Delaware County Prosecuting Attorney's Office.

Dated this 16<sup>th</sup> day of April, 2007.



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David O. Thomas, Inspector General